

A SHARED MISSION

Varian's people share a mission to help save lives. That's one of the reasons why employees tend to stick around. They're in for the long haul and they want to make a difference along the way.

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COLLEAGUES AND COMMUNITIES

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lives a year



| CEO Tim Guertin with employees.

WORKING AT VARIAN

With average employee service of nearly ten years, staff turnover at Varian is only half that of most Silicon Valley-based companies. There are so many long-service anniversaries that only landmarks of 20 years' service and upwards are announced as anything unusual within the company. A key reason why Varian people are generally in for the long haul is the rewarding environment that a shared mission to save lives can offer.

Varian prides itself on instilling the same ethos of job-satisfaction, fulfillment and creativity for its employees worldwide. With 5,700 people globally, a growing proportion of them based outside the U.S., Varian's workforce tends to be internationally focused. Cross-functional multinational teams and inter-continental reporting lines typify the flat structure of the business.

Diversity is all-important throughout the organization: diversity of origins, experiences, and characters. Four of the ten corporate officers are women. Two of the ten are ethnic minorities. The company's policy states Varian will "base all employment decisions on the principles of equal employment opportunity and take affirmative action in the employment of women, minorities, individuals with disabilities, and veterans." In 2010, Varian was selected by GI Jobs magazine in the U.S. as a Top 100 Military Friendly Employer. Over 5,000 companies were considered, based on annual revenues of at least \$500 million. Being named to this list put Varian in the top 2% of all employers nationwide. Varian is proud to hire military alumni for the leadership, teamwork, discipline, diversity, and work ethic they bring to our company.

Varian's employment policies are clearly outlined on the company intranet, along with policies that prohibit workplace violence and harassment. The company has a clear equal opportunity policy, an open-door resolution policy and legal and ethical conduct regulations. An open-door resolution policy reinforces the company's belief that the best way to resolve work-related concerns is through open communication between each employee and his or her supervisor. Varian encourages all employees to discuss their concerns with their supervisors or with any other management representatives of their choice – all Varian employees should feel free to raise their concerns without fear of retaliation.

The company complies with workplace laws wherever it operates, with no restrictions on collective bargaining and union membership. In Germany, the company works closely with works councils to establish employment practices adapted for that local market. Above all, the company seeks to provide an inspiring work environment where employees can contribute optimally towards the company's mission: to help save an additional 100,000 lives a year.

Training is integral to Varian's success. In 2010, the company introduced a worldwide online training resource to bring consistency to continuous education throughout the company. Donald Hill, the company's training manager, says, "We have successfully introduced a far more uniform and dependable process in which every member of the same team worldwide gets the same training."

All employees are required to participate in training – on the job, instructor-led, and web-based – that is specific to their roles within the company. On average, an employee is required to complete 30 certifications annually. In the third quarter of fiscal year 2011 alone, over 50,000 hours of training were received by Varian employees. Training is tracked and reports provided to managers that show any overdue certifications for their employees.

Varian also provides robust training for people managers – both via an online website with links to web-based support tools and training as well as policies, practices and competencies. Beginning in fiscal year 2012, Varian is introducing integrated talent management processes and tools to enable better business strategy implementation with a key focus on goals, on competencies specific to various levels within the organization and on development activities that will allow employees to better manage their careers.

HELPING HANDS

As might be expected in a company focused on helping people, Varian and its employees are givers.

Varian made more than \$8.6 million in research and charitable grants in 2010, well above the average for benchmarked U.S. companies in the 2009 survey by the Committee Encouraging Corporate Philanthropy, and above average for healthcare companies included in the survey.

As was noted in the Health Access and Outcomes section of this report, the company makes research grants to support the advancement of technology in the diagnosis and treatment of cancer with radiotherapy and radiosurgery. In 2010, these research grants totalled \$7 million.

Varian makes charitable grants through the Varian Medical Systems Foundation. In addition to supporting local community programs on occasion, grants are focused on non-profit organizations around the world to fund projects that provide education and services involving the prevention, detection, and treatment of cancer. In 2010, grants from the company and its foundation amounted to more than \$1.2 million.

Varian and its employees also conduct an annual matching gift program in which employee donations to their favorite charities, including schools, are matched by the company on a dollar-for-dollar basis. In 2010, some 600 employees from across the U.S. gave some \$230,000 to their favorite causes, generating company matches of another \$230,000 or a total of some \$460,000 from Varian and its employees.

When disaster strikes, Varian and its employees have also teamed up to help with recovery programs in response to the 9/11 attack on the World Trade Center in New York, Hurricane Katrina in the U.S., and the Indonesian tsunami in 2005, earthquakes in China in 2008 and in Haiti in 2010, and most recently, the earthquake and tsunami in Japan. Varian and its employees have donated over \$700,000 to these relief efforts.

Employees frequently volunteer their time to community causes including the American Cancer Society and the United Way's "Day of Action" when employees are released by the company to participate in projects across several communities. Each year, Varian participates in the American Cancer Society's Making Strides against Breast Cancer Walk in the San Francisco Bay Area. Varian is a corporate sponsor, through an annual \$10,000 donation. Over 100 employees participated in the walk in 2010, and raised an additional \$9,000 for the American Cancer Society (see image).

Employees at Varian offices across the U.S. regularly support local causes. For example, in 2010, employees in Salt Lake City held a food and clothing drive and participated in the 21st Annual MS 2010 Walk, sponsored by the National Multiple Sclerosis Society Utah State Chapter. Employees in Marietta, Georgia held a "Toys for Tots" drive during the holiday season, as well as a drive in support of two local nonprofits – Noah's Ark Animal Rehabilitation Center and Children's Care Home, earlier in the year. Food and clothing drives for needy families in Varian's local communities are common.

In the company's UK headquarters, the charity committee selected the Cornelia de Lange Syndrome (CdLS) Foundation (more info at www.cdls.org.uk) as its "charity of the year" and employees raised more than £10,300 through activities such as marathons, cycle rides and sales of donated items.

Helping others is a way of life for Varian. The company is committed to maintaining this tradition and to extending the reach of its helping hands into more parts of the world.



Among the fund-raising activities in the UK was the South Downs Way challenge, when 15 Varian employees cycled 100 miles off road in just two days, along the challenging South Downs Way in Sussex.



Varian people at the 2010 "Making Strides" Breast Cancer Walk in the U.S.



Using the fitness facility in the Palo Alto HQ, established in 2010.

“I believe strongly we must have a responsible attitude to our employees’ health. We should make it as easy as possible for our people to stay fit and healthy.”

© Tim Guertin, CEO

A HEALTHY WORKFORCE

Varian has won a top award for establishing a robust wellness program to promote healthy lifestyles. The company received the 2010 TechAmerica United Healthcare Corporate Wellness Innovation Award because of its commitment to the overall health and well-being of its employees.

The Varian “Living Healthy” program, introduced by Tim Guertin for Varian sites in the U.S. and now in its fourth year, has grown to encompass three core elements focused on early identification and reduction of health risks:

- A “health risk assessment” asks questions about important lifestyle issues that affect an individual’s health;
- Biometric screening events are held to promote awareness and maintenance of healthy weight, blood pressure, and other health measurements;
- A “quit for life” tobacco cessation program is designed to assist employees who want to quit the use of tobacco.

In 2010, Varian began rewarding employees for controlling certain health risk factors, specifically cholesterol levels and blood pressure. Employees received a \$200 gift card for having numbers within normal limits for each of these risk factors. During the first year of the program, 40% of Varian’s U.S. workforce participated in the program. Of those, 70% met the cholesterol criteria and 78% met the blood pressure criteria. Employees who did not meet the measures can be retested in 2011 and receive the incentives retroactively if they pass.

Varian employees who had biometric screenings in 2010 showed healthier metrics as compared with the general population of the U.S.:

Risk factor	High risk factor definition	Varian participants	U.S. norms
Obese Body Mass Index (BMI)	BMI > 30.0	22.1%	33.5%
High Total Cholesterol	>=240 mg/dl	8.8%	16.3%
High Blood Pressure	>=140/90	22.1%	33.5%

For Fall 2011, the targets for both blood pressure and LDL cholesterol levels have been lowered, and a measure for blood glucose has been added. The target for blood pressure dropped to <135/<85. For LDL cholesterol levels, the target has been lowered from 140 to 130.

The tobacco cessation program, which is 100% funded by Varian, offers phone-based coaching for employees as well as their spouses and domestic partners, and nicotine replacement therapy (patch or gum). Beginning January 2011, a tobacco user surcharge was implemented. Employees attest to their tobacco use status during the company’s annual benefits enrollment period, and those who used tobacco within the last six months are charged a \$20 bi-weekly surcharge. Tobacco users who enroll in and complete the tobacco cessation program have the surcharge waived.

The company provides a healthy lifestyles telephone coaching service free of charge to help employees tackle health challenges like weight loss, improving their diet or establishing an exercise program.

Varian also offers on-site fitness and weight reduction programs. In the U.S., fitness centers have been established at the Palo Alto, Salt Lake City and Las Vegas facilities. The center in Palo Alto is staffed part-time by fitness trainers who work one-on-one with employees and also offer fitness classes. Varian has also negotiated for discounted memberships at several commercial gyms and will reimburse up to \$59 for initiation fees at any fitness club. An on-campus Weight Watchers at work program is 80% funded by Varian, and the company also reimburses employees who participate in Weight Watchers online or attend local meetings in their communities.



+ Clinac® iX accelerator

“In the middle of this turmoil, Project Hope benefited greatly from many stakeholders, including Varian, and the result is a tremendous tribute to all those who care deeply about the children of the Middle East and especially those with cancer.”

Ⓞ Dr. John P. Howe III, Project Hope CEO



Ⓞ Francisco Varela, Varian field service engineer

HOPE FOR IRAQI CHILDREN

When the Basrah Children’s Hospital opened its doors on October 26, 2010, it represented the culmination of a seven-year dream by Project Hope, the U.S. Government, former First Lady Laura Bush and the Iraqi government to provide the nation’s children with a modern, tertiary care, referral pediatric cancer specialty hospital. For advanced radiotherapy treatments, patients are treated using a modern linear accelerator donated to the project by Varian.

“We envisioned a new hospital with modern equipment and well-trained clinical staff,” says Project Hope CEO Dr. John P. Howe III. “The Iraqi population is very youthful – children represent over a half of the total population – and the country’s ministry of health is trying to reduce child mortality by 50% by 2013 and provide quality care for more than a million children in southern Iraq and Basrah, the country’s second largest city.”

Childhood cancers are eight to ten times more common in Iraq than in developed countries, with a particularly high prevalence of brain tumors, lymphoma and leukemia. To help with advanced cancer treatments, Varian donated a linear accelerator for treatments and a simulator for planning and verifying treatments. The high performance Clinac® iX accelerator represents the most clinically advanced model implemented in the Middle East and the first clinically functioning modern treatment device in the country.

“The donation from Varian represents a tremendous gift to the children of Iraq and it gives them a chance to be healthy future leaders of their country,” adds Dr. Howe. “My personal thanks to Varian for demonstrating this vote of confidence in the people of Iraq.”

Construction of the hospital, overseen by the U.S. State Department and the U.S. Army Corps of Engineers, began in 2005 and was not without its challenges. “We persevered through many problems in constructing the first newly built hospital in Iraq for 33 years,” said Dr. Howe. “It’s remarkable that construction of a high-tech children’s hospital occurred in an active war zone. During its construction, we dealt with 11 different ministers of health, five U.S. ambassadors, three national elections, two primary construction contractors and 93 different project managers.”

With the Basrah Children’s Hospital now open and treating patients, Project Hope’s next initiative is the Program Management and construction of the Nelson Mandela Children’s Hospital in Johannesburg, South Africa in honor of Nelson Mandela.



| Panoramic photo of the Basrah Children’s Hospital, Basrah, opened October 26, 2010.

When Varian field service engineer Francisco Varela heard about the motor neurone disease ALS, he decided to do something to help sufferers. He taught himself Java and developed a program that allows users to control keyboards using eye movements.

ALS (Amyotrophic Lateral Sclerosis) – known in America as Lou Gehrig’s disease after the famous baseball player – is a muscle wasting disease that affects Professor Stephen Hawking and guitarist Jason Becker among others. Sufferers, who lose motor functions but retain their sensory capabilities, are often unable to move any part of their body other than their eyes.

After asking a friend about computer programming, Francisco bought a book on Java programming language, learned the system in four months and began coding the program. Four months later, he was able to upload the finished program to his website and this has now been indexed by Google.